

Vol. 7, No. 12, June 15, 1977

## Register results

The following actions have been taken by Federal agencies. They have previously been summarized in CONSUMER REGISTER as proposals. Extent of consumer and other comment is reported when such information is available.

• **Federal Energy Administration** (FEA) has prescribed test procedures used to measure energy efficiency or energy consumption of room air conditioners. These rules implement a section of the Energy Policy and Conservation Act requiring FEA and **National Bureau of Standards** (NBS) to develop test procedures to determine annual operating costs of 10 types of products, including room air conditioners. FEA received comments from both consumers and industry, but consumer comments accounted for a majority of the comments received. Most of these concerned the manner in which the labeling of the appliances would be expressed, a responsibility of the **Federal Trade Commission** (FTC), which will develop labeling rules based on the test procedures. Details—*Federal Register*: June 1, page 27896; July 27, 1976, page 31237; May 14, 1976, page 19977. CONSUMER REGISTER: Aug. 15, 1976.

• **Federal Energy Administration** (FEA) has issued final regulations for a program of weatherization assistance for low-income and elderly persons. FEA will make grants to states which will, in turn, administer weatherization assistance within FEA guidelines. FEA received 50 written comments on the proposal, and heard testimony from 106 individuals who appeared at public hearings on the program. Virtually all of the commenters supported the aims and concept of the proposal, but many suggestions were made that resulted in changes in the final rule. Details—*Federal Register*: June 1, page 27899; April 1, page 17470. CONSUMER REGISTER: April 15.

## Electronic fund transfer systems

The **National Commission on Electronic Fund Transfers** (NCEFT) is conducting the second of a series of regional public interchange meetings to get reactions from consumers, retailers, banks and legislators and regulators on how their interests would be served in the development of a "cashless, checkless society."

The second meeting will be held on July 7 at 9:30 a.m. at the following address:

Palmer House, Adams Ballroom  
Chicago, IL

Members of the public are invited to participate or just to attend as observers. To speak at the meeting and for further details, call Janet Miller at NCEFT; telephone 202-254-7400.)

NCEFT has been studying the competitive impact of EFT systems on financial and nonfinancial institutions (such as retailers) as well as the effect of competition among sellers of EFT equipment.

Details—*Federal Register*: May 19, page 25776; April 27, page 21529. CONSUMER REGISTER: Nov. 1, 1976. CONSUMER NEWS: Nov. 15, 1976. (NCEFT is required to issue a final report on EFT systems in October and continues to welcome comments from consumers and others on any aspect of EFT. Send comments to Executive Director, National Commission on Electronic Fund Transfers, 1000 Connecticut Ave., NW, Washington, DC 20036.

## Bumpers

**National Highway Traffic Safety Administration** (NHTSA) has denied petitions by car manufacturers to reconsider NHTSA's bumper damageability standards. The standards, which become effective Sept. 1, 1978, will require all new cars to sustain certain low speed crash tests without damaging any part of the car except the bumpers. NHTSA did, however, approve a petition for the standards to permit damage to minor bumper components, including license plate brackets.

Two car makers have asked NHTSA to delay for one year the second—and stricter—phase of its bumper standards, and

NHTSA says it will take action on the proposed delay at a later date.

Details—*Federal Register*: May 12, page 24056; March 4, 1976, page 9346. CONSUMER REGISTER: March 15, 1976; Feb. 1 and Feb. 15, 1975.

## "Gold" and "silver"

July 10 is deadline for comments on **Federal Trade Commission's** (FTC) proposal to allow less than 10 karat gold items to be described as "gold" in certain circumstances.

FTC's present regulations say that only gold articles of 10 or more karats can be marked or described as "gold" or carry the mark "K"—for karat. A karat is a measure of how much gold is in an article. Twenty-four karats is pure gold; and a typical wedding ring in the US is 14 karats (58.3% pure gold and the remainder a blend of metals, usually copper, nickel and zinc).

The proposal, if adopted, would permit jewelry makers to describe their less than 10 karat items as "gold" as long as the item carries a tag which lists its metal composition and the following warning to consumers: "Gold alloys of less than 10 karats can be expected to tarnish and corrode." In addition, all sales materials would have to disclose this warning clearly and conspicuously. Under no circumstances could the less than 10 karat items be stamped "gold" or "K".

FTC also proposes to permit jewelers to use the term "silver" on their products if the products contain less than .925 silver—the current requirement—as long as the term "silver" is immediately preceded by the correct designation of the silver content (for example, ".500 silver").

Proposed amendments result from petitions by some jewelry manufacturers who want to make items containing less pure gold and silver because the prices of these metals, especially gold, have risen significantly in recent years.

Details—*Federal Register*: June 10, page 29916. Send comments to Secretary, Federal Trade Commission, Washington, DC 20580. For further information call or write D. McCarty Thornton at the above address; telephone 202-523-3913.

## Credit unions

July 1 is deadline for comments on **National Credit Union Administration's** (NCUA) proposals that would implement recent amendments to the Federal Credit Union Act (Public Law 95-22).

Congress removed from the act the \$2,500 limit on unsecured loans, allowing each Federal credit union to establish its own ceiling. Congress also authorized the credit unions to offer lines of credit with a self-replenishing feature. For example, if your credit limit is \$1,000 (your "line of credit") and you have borrowed \$500, you have \$500 remaining. Any payment which reduces the balance increases the remaining credit available up to the limit of the \$1,000.

Proposed regulations specify NCUA guidelines for credit unions to follow in determining their own unsecured credit limits and in establishing their new lines of credit. Also included are new rules applying to loans to credit union officers and clarifications of existing rules concerning amortization of loans and insured or guaranteed loans.

These rules do not apply to mortgage loans with maturities of more than 10 years. Those regulations will be proposed at a later date.

Details—*Federal Register*: May 27, page 27251. Send comments to National Credit Union Administration, 2025 M St., NW, Washington, DC 20456. For further information write or call Joseph Bellenghi at the above address; telephone 202-254-8760.

## BHT

July 26 is deadline for comments on **Food & Drug Administration's** (FDA) proposal to restrict the use of butylated hydroxytoluene (BHT), a synthetic compound widely used as an additive to help keep fats and oils in foods from becoming rancid. BHT is used in margarines and oils, jams and jellies, nut products, breakfast cereals, snack foods, frozen dairy products, chewing gum, and processed fruits and vegetables.

Under FDA's proposed action, BHT would be removed from the Generally Recognized As Safe (GRAS) list and its use restricted, pending completion of new safety studies, to current levels in foods for which it is now approved.

FDA says that the need for additional testing of BHT is not based on any new evidence that the substance may be unsafe at present levels of use, but resulted from questions arising from a review of available scientific evidence in connection with FDA's continuing review of all substances that, like BHT, are on the GRAS list.

Details—*Federal Register*: May 31, page 27603. Send comments to the Hearing Clerk, Food & Drug Administration, 5600 Fishers Lane, Rockville, MD 20857. For further information write or call Corbin I. Miles, Food & Drug Administration, 200 C Street, SW, Washington, DC 20204; telephone 202-472-4750.

## Mobile homes

July 28 is deadline for comments on **Federal Trade Commission's** (FTC) proposed mobile home warranty rules on the disclosure of warranty rights, systems to insure the performance of warranty obligations, and the accurate notice of the dimensions of mobile homes. FTC first gave notice of the proposed rule in May 1975 [See *CONSUMER REGISTER* July 1, 1975].

Specifically the proposed rules say that it is unfair or deceptive to provide a warranty for a mobile home unless the warrantor establishes and maintains a regular and effective system to assure that consumers will receive full warranty benefits from manufacturers, authorized dealers or third parties.

Rules require that manufacturers set up evaluation procedures of warranty service provided by dealers or third parties, including the use of questionnaires to be completed by consumers.

Rules also stipulate when a mobile home is sold "as is," that "clear and conspicuous" notice must be given to the purchaser stating that the manufacturer will not assume any responsibility for defects.

In addition, the rules state that it is unfair or deceptive to use any seal, label or certification that might imply that a mobile home conforms to any code or standard without clearly disclosing what the certification means and what remedies are available if a mobile home is not in compliance with the standard.

Written comments should be submitted—in triplicate if possible—to Raymond L. Rhine, Federal Trade Commission, Washington, DC 20580. Label comments "Mobile Home Comments."

Two public hearings on these proposed rules will also be held. The first will be held Sept. 12 at 9:30 a.m. in Washington, DC, room 532 Federal Trade Commission Bldg., Pennsylvania Ave. at 6th St. N.W. If you wish to testify you must submit the verbatim statement of your expected remarks to Charles A. Taylor III, Federal Trade Commission, Washington, DC 20580; phone 202-523-3660. Statements must be filed by August 22.

The second hearing will be held on Dec. 5 at 9:30 a.m. in San Francisco, CA, room 12470 of the Federal Bldg., 450 Golden Gate Ave. If you wish to testify at this hearing you must submit your verbatim statement to Fred C. Austin, Federal Trade Commission, room 12470 Federal Bldg., 450 Golden Gate Ave., San Francisco, CA 94102; phone 415-556-1270. Statements must be filed by November 14.

FTC welcomes written and oral comments on all aspects of the proposal, but is especially interested in comments concerning possible alternatives, and in any revisions which might be necessary to avoid any overlaps and inconsistencies with the Mobile Home Act regulations issued by **Housing and Urban Development Dept.** (HUD). [See *CONSUMER REGISTER* November 15, 1975; September 15, 1975; July 15, 1975].

Details—*Federal Register*: May 23, page 26398.

This listing, prepared by Marion Q. Ciaccio, is intended only as summary coverage of selected *Federal Register* items deemed of particular interest to consumers, and it does not affect the legal status or effect of any document required or authorized to be published pursuant to Section 5 of *Federal Register Act* as amended, 44 U.S.C. 1505. *Federal Register* is published Monday through Friday (except Federal Government holidays) by **Office of the Federal Register, National Archives and Records Service, General Services Administration**. Subscription is \$5 a month or \$50 a year and may be ordered from **Superintendent of Documents, Government Printing Office**, Washington, DC 20402. Superintendent also sells copies of *Federal Register* for 75¢ each. Free copies of *Federal Register* may be available in libraries.

## For you

These forms are for you to use, if you wish, in commenting on any Federal Agency proposal summarized in CONSUMER REGISTER. Of course, if you cannot get your comments on the front and back of a form, feel free to continue your comments on additional paper.

Send comment forms to addresses listed in the summaries.

CONSUMER NEWS is publishing these forms in cooperation with Food and Drug Administration (FDA).

Clip this form, fill in blanks, write your comments & mail to agency noted in CONSUMER REGISTER item.

This is my opinion on (title of item in CONSUMER REGISTER) \_\_\_\_\_

by (name of agency) \_\_\_\_\_

published in *Federal Register* on (date) \_\_\_\_\_ on (page) \_\_\_\_\_

Name \_\_\_\_\_ Date \_\_\_\_\_

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City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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## Rate Register

### Planes

• Civil Aeronautics Board (CAB) is limiting its considerations for low-fare, coast-to-coast air flights to 4 cities in the East and 6 cities in California. The cities are New York, Newark, Baltimore, Washington, Los Angeles, Ontario, Long Beach, San Francisco, Oakland and San Jose. Fares may be as low as \$89 one way—which is the fare World Airways proposed some time ago.

• Civil Aeronautics Board (CAB) has recommended to President Carter that he approve Laker Airways' proposal to offer low-fare New York and London "Skytrain" air service. (The President is required to approve all grants of authority to operate between the US and foreign countries.) At CONSUMER NEWS' deadline the President was expected to approve the proposal which will enable travelers to fly to London for \$135 and back for \$101 on no-frills, no reservations flights. The lowest fare currently available for the scheduled airlines across the Atlantic and back is \$440 if passenger reserves and pays 45 days in advance. Regular round-trip coach fare between London and New York is \$774.

• Civil Aeronautics Board (CAB) says most common fares are illegal. Common-faring means charging the same dollar amount for transportation from one point to any of several other specified points regardless of distance. Most of the routes involved were between East and West Coast cities and between West Coast cities and Hawaii. Airlines have until Aug. 29 to revise

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## **Rate Register**

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their fares to reflect actual mileage, but CAB says the average air traveler's fare will not go up—or down—more than about \$5 per trip.

### **Buses**

• **Council on Wage and Price Stability** (CWPS) has urged **Interstate Commerce Commission** (ICC) to allow bus companies more flexibility in handling express shipments of packages by providing pick-up and delivery service. Under present procedures packages must be picked up and delivered only at bus stations. CWPS noted that bus carriers have unused freight capacity, and expanded package express by bus would not only help fill this empty space but would contribute to revenues and help avoid future increases in passenger fares.

### **Mortgages**

• The Federal Government has boosted the maximum allowable interest rate on Federally backed home loans to 8½% from 8%. New rate applies to home loans insured by **Federal Housing Administration** (FHA) or guaranteed by **Veterans Administration** (VA). Interest costs have gone up recently in private money markets and conventional home mortgages that are not Government-backed. The agencies said the higher interest ceiling is needed to keep FHA and VA loans competitive and to increase their availability.

### **Mail**

• A new internal **Postal Service** (PS) study reported that nationally more than 7,000 post offices do less than \$5,000 in business each year, and more than 10,500 post offices serve fewer than 100 customers. PS has previously stated that many of its rural customers who currently go to the small post offices to collect their mail from lock boxes would receive better service from rural carriers at their homes or postal substations in small-town stores, or both. A law passed last year ordered a moratorium on closings through March 15, 1977, and PS has yet to resume closings. Opposition to the closings last year resulted in a Federal court order requiring PS to give residents 90-day notice of closings. The new survey concluded that PS "would operate more effectively utilizing 13,000 strategically located facilities and spending about one billion dollars a year on the rural service, which is about \$490 million less than current costs."

